NEWS

Lean Enterprise F*o*rum

Lean Enterprise Forum Contacts

Bob Johnson, chair
Lozren Corp.
jobbymjohnson@yahoo.com

Wayne Paupst, chair-elect
Truth Hardware
wpaupst@truth.com

Tony Manos, past chair
Profero, Inc.
anthony.manos@proferoinc.com

George Alukal, BoK chair
Chicago Manufacturing
galukal@cmcusa.org

Wendy Gomez, newsletter editor & secretary
Danmer, Inc.
wendy.gomez@danmer.com

Ginger Rockey-Johnson,
discussion board moderator & treasurer
Sun Micro Stamping Technologies
grockey-johnson@sunmicrostamping.com

Linda Milanowski, staff liaison
American Society for Quality
lmilanowski@asq.org

Lean Enterprise Forum

ASQ AMERICAN SOCIETY FOR QUALITY™

Chair's Message

August 2006

Dear Lean Enterprise members,

First let me introduce myself; I usually go by "Jobby" but my "official" name is Robert M. Johnson. I am a quality assurance manager for Lozren Manufacturing Company. As quality assurance manager, I am responsible for quality plantwide, including Lean and continuous improvement projects, as well as for managing the quality department day to day. I have been involved with Lean and Six Sigma for several other companies, and I have taught Six Sigma Lean for a local university.

Enough about me; we have a dedicated team of member leaders to help move the Lean Enterprise Forum forward. Here are some of the things we are working toward on your behalf.

1. We are working to convert from a forum to become a full division of ASQ. We have submitted the paperwork, have been approved by the Division Affairs Council, and have been recommended to the board of directors and are awaiting their approval.

2. We are working toward an ASQ certification in Lean; this is a large task with many components. We will need subject-matter experts (this means you) to develop the body of knowledge and the questions used in certification tests.

3. We are looking at partnering with another division to have a Lean Conference in conjunction or in parallel with them. We will need coordinators with specific knowledge about conferences, and others with good speaking abilities and content to be part of that conference.

4. We will submit a request to sponsor a Lean Track at the World Conference for Quality and Improvement at Orlando, FL, (May 2007) and will need topic ideas and papers to submit for this track.

5. We would like to provide support to sections interested in developing Lean Networking groups. To do this we are interested in any insights from sections that already have this type of interest group, and any sections that may be interested in starting a group and how we can help.

6. We want to make our Web site (www.asq.org/le) the portal for information about Lean. To do this we could use your knowledge (white papers) and case studies about your journey in implementing Lean. You can go to the Web site and click on Submit an Article (http://www.asq.org/le/articles/index.html) to share your knowledge and journey. In addition, we have a very active discussion board to present your topic you want discussed, or lend your advice to other members.

7. We have a great newsletter that goes out to each member; we could always use interesting articles and case studies for the newsletter as well.

The Lean Enterprise Forum is the fastest growing soon-to-be division of ASQ with 4355 members as of June 2006. Thanks for being part of this growth; we need your help to shape the future of the division. There is a lot of work to reach all the above goals, and if each of us pitches in to help just a little, we can make it all happen. Feel free to contact me if you can help in any way or if you have any questions.

Jobby Johnson
MBA, CSSBB, CQMgr, PMP
Chair, Lean Enterprise Forum

About the Author

Ken Levine teaches quality management, operations management, and business analysis in the Department of Managerial Sciences at Georgia State University. Levine is also an instructor in Georgia State University's new Lean Six Sigma "Gold" certification program, incorporating Six Sigma and Lean with business analytics (forecasting, data mining, business intelligence, and decision support systems), where Black Belts are taught how to provide a "living" decision support system to process owners as a project deliverable, and decisions can be periodically updated based on desired changes in controllable factors, and new estimates of external factors. For further information, see http://www2.gsu.edu/~wwwbat/course.htm.

Levine holds a doctorate in business administration. He retired from The Coca-Cola Company in 2000 where he was director of continuous improvement for three years. In this capacity he delivered more than 50 "Seven Habits" workshops at Coca-Cola and to various outside educational and government organizations as a volunteer. Levine is a Six Sigma Master Black Belt and Certified Purchasing Manager. He can be reached at levi15@bellsouth.net.

Maximizing Lean Communications Using Win-Win Agreements

Kenneth C. Levine

Recent books and articles on Lean thinking have expanded the traditional list of the seven types of waste (overproduction, delays, transportation, error processing, poor inventory management, unnecessary motion, and defects) to include many other types of waste, including management waste, meeting waste, and communications waste. This article suggests one significant way to reduce communications waste using Win-Win Agreements.

Stephen Covey's *Seven Habits of Highly Effective People* has been used by many organizations to complement their Six Sigma, Lean, and other quality improvement efforts. This material has been found to help foster a spirit of both self- and organizational improvement. Some people have the impression that this material is "soft stuff" and therefore inappropriate. Nothing could be further from the truth! In fact, the "soft stuff" is often the key to successful change management. Furthermore, there are many useful "Seven Habits" tools that fit nicely into our Six Sigma and Lean "bag of tricks." One such tool is the Win-Win Agreement. Let's first review the meaning of "Win-Win."

The expression "Win-Win" has been used and abused over the years. This is most unfortunate, as there is great power in the concept. Covey defines a win-win between two parties (in an important relationship) to be one where each party seeks mutual benefits in their interdependent relationship. It is a belief in a third alternative – not your way or my way, but a better way. It does not mean compromise where no one gets their way. It also does not mean lose-win, where people choose to lose to let others win. It is sometimes difficult to achieve, as it requires that both parties be open to changing their position. But if the long-term relationship is truly important, it is the only way to go. It requires that you seek first to understand the position of the other party, and that you both seek a synergistic solution.

In his book, Covey gives the example of two people in a room. One wants the window open. The other wants it closed. A compromise might be to have the window half open; however, that may not satisfy anyone. The trick is to know why the other party wants it open or closed. Once you know why, you are then in a position to brainstorm third alternatives that will make everyone happy. For example, if one person wants the window open so that it won't be stuffy in the room, perhaps a fan could solve the problem. This is not rocket science; but surprisingly, many people don't get it and feel that they have to compete to get their way.

I was facilitating this material in a manufacturing field location some years ago. I covered the basic concepts, and then one of the managers said, "I don't get it. It seems to me that there is no difference between win-win and compromise." Then he went on to explain why. He said that last week, one of his production workers asked for Friday off. Since he anticipated that Friday was going to be a very busy day, and at least one other worker was already on vacation, he did not want to say "Yes." However, this individual was a very good worker, and he did not want to say "No." So, he decided to give him half the day off. The manager insisted this was a not only a compromise, but also a win-win, as the worker was given permission to take some of the time off. I asked him why the worker wanted the time off. He said that he didn't know. I then asked him if this would be a win-win if the worker needed a full day to fly to another city to attend a funeral of a relative or close friend on that day. He realized that it would not have helped at all (and was not a win-win!).

So, now that we are clear about the meaning of "win-win," what is all this about Win-Win Agreements and maximizing lean communication? First, consider that many (if not most!) conversations involve delegation. People often talk with each other with the implicit (and sometimes explicit) purpose of getting someone else to do their work. (Sound familiar?) Delegations are often poorly communicated, and the person receiving the delegation often leaves without enough information. This can be caused by the difficulty of saying "No" to someone in a position of authority, a reluctance to ask questions, or a lack of understanding of what information is truly needed. Did you ever do a lot of work for someone else and later find out that you did the wrong thing? This situation is not uncommon, and it creates rework, waste, and frustration!

Maximizing Lean Communications cont. from p. 2

In his book, Stephen Covey presents a Win-Win Agreement Form to prevent this occurrence. He explains that an effective delegation occurs when a series of questions is answered. These questions are:

- What are the desired results?
- What resources are needed?
- What are the guidelines?
- Who is accountable?
- What are the consequences of doing the work successfully? Unsuccessfully?

No delegation should occur without the answers to these questions. To know if the work is done successfully, a picture of the desired state is needed. Resources needed should be identified and secured. Guidelines should be known, such as safety requirements. Clearly the worker is being given the responsibility, but does he/she have the authority to make it happen? Also, what level of initiative is appropriate? Can this person simply do the whole job and then report back? Or, because of the level of skill, experience, and/or motivation, should the worker report back every hour with status reports as the work progresses? Finally, shouldn't the person doing the work know what will happen if it is done successfully or not? This answers the question, "What's in it for me?"

In his book, Covey explains that he asked his son to be responsible for their front yard. He told him that he wanted the yard to be "green and clean." He took him to a neighbor's yard and said that it was "green." Then he helped him clean up a small area of their yard by removing foreign objects and large branches. Now his son understood the desired results! He also provided his son with the proper equipment (in good working condition), gasoline and other resources, and reviewed safety considerations.

Note that this process does not include "how" to do the work. In a progressive environment, the worker should be empowered to determine the methods employed! Workers often know best how a process should be improved. Also, if you prescribe the method, you take all the fun out of the problem-solving process!

When my wife and I returned from Sundance, UT, after a week of "Seven Habits" and "Principle-Centered Leadership" training, we decided to try this new win-win approach with my son Craig. (Sue just came along to ski, but quickly found herself learning the Habits and eating breakfast next to Stephen Covey! I remember that she asked him "Where did you get all of this stuff?" He smiled graciously and told her that he reads a lot.) We had a row of red-tip bushes separating our driveway from our next door neighbor's house. The bushes had grown too large and unruly. We told Craig that if he wanted to make some money, we would pay him to remove the bushes. (I forget the amount, but it was a lot to him!) We also told him that we would be happy to help, but that he would be responsible. He asked how we wanted the job to be done, and I said that he could do it any way that he wanted, as long as it was safe. Later that day, Craig asked his brother David what had happened to Mom and Dad last week in Utah. He said that we were acting "weird"!

After trying to remove the bushes for about four hours (there were 14 large bushes with deep roots!), he gave up. He had removed three bushes. A week went by. I thought about reminding him that we had said that we would only give him a week, and then find a professional to do the job. Then, we looked out the window. Craig had borrowed a friend's truck, taken it to the hardware store, and purchased a chain with a hook on each end. He put one end on the hitch on the back of the truck, and the other under one of the bushes. He pulled the bush right out! In a matter of minutes, all the bushes were removed. The conclusions: I have smart sons, and win-win agreements work!!

When it becomes apparent that someone is attempting to delegate something to you, remember to ask the five key questions. And when you are planning to delegate work to someone else, remember to provide the answers to these questions. Lastly, remember not to specify how to do the work! The result will be clearer communications, less rework and wasted time, improved quality of results, and better personal relationships.

Lean Applications in Product Development

The lifeblood of many companies is in the product-development processes that enable a company to provide a continual stream of new products that are better, cheaper, and reach the customer faster than those of the competition. In conjunction with this objective, in recent years there has been a "Lean" philosophy to further generate a competitive advantage. While nearly the entire focus of Lean has been in applying these concepts within manufacturing and production, virtually no effort has been spent to exploit the benefits of applying these concepts in nonmanufacturing disciplines, more specifically, the area of product development.

This webinar provides you with an overview of some of the basic Lean concepts, insight into the application of this philosophy in the area of product development, and guiding ideas for implementing a Lean product development program within your own business. Companies that have implemented a program applying Lean concepts in product development have achieved dramatic results. In some cases, cycle time reduction of as much as 70% has been achieved!

"Lean Applications in Product Development"

Webinar #174953

Length: 60 minutes

You have 30 days of access to this webinar.

ASQ RUs: 0.15

Webinar Fee: $59.00

For more information or to register, go to www.asq.org and click on Training and Certification.

Maximizing Lean Communications cont. from p. 3

I learned an important lesson from one of my managers in the Global Procurement Department at The Coca-Cola Company. He told me that he did not have Covey's "Seven Habits" training, but from his experience, the problem with win-win in purchasing negotiations is that you have to clearly know your own requirements first. Otherwise, you will always end up with a lose-win. From his experience, this was rarely the case! I believe that we can apply this line of thinking to a variety of personal and business situations.

I have one more related piece of advice to pass on. My father-in-law was a brilliant and very interesting man. He was a successful corporate attorney and an amateur boxer. (If he couldn't out-think you, he could intimidate you physically!) When I went to work at The Coca-Cola Company as a young man, he said to watch out for people in power who might "dump" on me. He suggested that when I was asked to do something that I did not want to do, I should say, "I would be happy to do that with you." I should then explain that I did not have all of the knowledge, skills, or information to do the job (as well as the person asking for help). However, if we did the work together, we would have the best of all situations. It is a way to say "No" without saying "No." My father-in-law added that in every case, the person needing help will ask someone else to do the work. He was right. It worked like a charm!

Good delegating!

Face of Lean Profile

Name: Connie Tolman
Contact: 949-683-9082 (cell)
Education: BA from University of California Berkeley
Certifications:

Six Sigma Black Belt from American Society for Quality
Project Management Professional from Project Management Institute
Green Belt from General Electric Healthcare
Lean Sigma training from Medtronic

Current job:

Director of Manufacturing at DexCom Inc.

Most recent experience with Lean:

Using value stream maps for startup company to get a clear picture of the processes. Starting with the map will enable us to design the processes in a lean fashion instead of having to do it later while we are building at higher volumes.

Favorite Lean experience(s):

Medtronic Heart Valves had a mature process where people had the feeling that nothing could be improved or changed. After performing a kaizen in the final packaging area, the attitude of the manufacturing people and the support engineers changed completely. They were energized and excited and felt that they could really make changes that would help. They removed two people from the process and improved throughput by 30% just by making small changes to the paperwork flow and layout.

What is your advice to practitioners who have just begun to try to implement Lean?

Lean is based on common sense. It is important to use what applies and throw away what doesn't. Don't be a fanatic about applying the process; be flexible and get the workers involved to make their contributions. Keep it upbeat and keep it going continuously — don't let people fall into a repetitive humdrum.

Other interests/hobbies:

Love nature and bird watching and writing (all together if possible).

Favorite quote:

"The coldest winter that I ever spent was a summer in San Francisco."

ASQ World Conference Notes

During the last ASQ World Conference a lean networking session was held by the LEF. Bob Johnson was kind enough to summarize the session as well as compile the evaluations that were given in regard to the session. If you were not fortunate enough to attend the session here is an opportunity to catch up on what was discussed.

PART I –

Applying Lean to Nonmanufacturing Processes:

- **Value Stream Mapping (VSM).** VSMs are the foundation to understanding the current state, identifying waste, and designing the desired state, but there are significant challenges in creating VSMs for service sector, administrative, and transactional processes:
  - Typically, there's a higher degree of variation and less standard work going into the improvement process.
  - Reducing excessive handoffs that typically exist is often met with a significant degree of resistance.
  - If an excessive number of functions are involved throughout a process, creating a VSM with swim lanes may be necessary.
  - But if a swim lane VSM is created, it must incorporate the same metrics as a traditional VSM (cycle time, lead time, defects, etc.)
- **Language.** Value Stream Mapping is the foundation to understanding the current state, identifying waste, and designing improved processes, but there are significant challenges in creating VSMs for service sector, administrative, and transactional processes:
  - Typically, there's a higher degree of variation and less standard work going into the improvement process.
- **Communication.** Nonmanufacturing environments are typically heavy with silos, often with poor communication between functional areas. For this reason, Lean efforts must be clearly communicated early in the planning process so that all stakeholders across the value stream have the opportunity to provide input and understand that a change may occur.

What Does It Take to Get People to Participate in 5S?

- Practice what you peach and lead by example
  - When they come into your office, what do they see?
- Plan for and train 5S ahead of time
- Don't throw away coffee cups
- Don't look for perfection the first time around
  - Praise small successes
- Have a success story
  - Give staff who did the project the chance to brag to executives
- Relay the benefits to employees
  - WIIFM (What's In It For Me)
- Show that it can satisfy and impress internal and external customers
- Sustaining projects — make sure that after a 5S project takes place it is sustained so that team members know it was worth the effort
- Take before-and-after pictures of the area to emphasize the difference
- Draft employees (champions) to participate
- Keep it simple but make it happen — the more complex something is the less likely it is that people will participate

---

Supervisor/Front Line Manager Buy-in

- Engage work force early
  - Especially engage the union reps in collective bargaining units
- Communicate, communicate, and then communicate again
- Define direction of organization
  - Create comfort zone for employees
  - Depending on culture, you might not want to call it Lean at first
- Make lean activities — their ideas
  - Solicit ideas versus driving the ideas
- Find one unofficial leader and get him or her on board
  - Teach tools and assign responsibility to champion
- Be persistent/on message/follow-up
- Standardize – supervisory duties
  - Move away from fire fighting to developing people and their ideas
- Think about rewards for gains and efforts

Employee Buy-in

- Watch out for flavor of the month or quality du jour
  - Employees will learn the buzzwords but keep doing the same things
  - Emphasize this is a long-term program
- Key to employee buy-in is visible top management support
  - Management must lead by example
- Build on small successes
  - Follow up on praising and showing the small successes
  - Continue to build on these processes
- Get training, like the two-day course from ASQ
- Go on waste walks and involve employees
- Do things without calling them Lean and show how it makes their jobs easier
  - Do Point of Use Shortage (POUS)
  - Make changes to improve set-up time
  - Do kanbans to improve downtime for materials

Then build on these improvements to show what Lean can do when you formally roll out the program.

- Provide the tools while you focus your attention on the culture
- Don't shoot yourself in the foot by focusing on short-term goals — drive this forward by focusing on long-term goals
- Make and keep a promise not to downsize anyone because of improvements from Lean — find them other jobs
- Emphasize benefits and the WIIFM
- Stress levels go down

How to Get More Out of Your Lean/Kaizen Events

- Preparation
  - Think through your value streams when defining where your kaizens will be focused
  - Start preparing 30 days out
  - Collect data, document processes (if long) and cycle times ahead of time

- Execution
  - Get front workers involved
  - Get eyes from outside the team
  - Work on reducing defensiveness
    - Set expectation that the way the job is done MUST be redesigned
    - Require that the team come up with multiple solutions to a problem – then select from those multiple options
    - Let past successes demonstrate to the technical people that those with less formal education have great ideas
  - Other tool ideas
    - CEDAC (Cause and Effect Diagram with Aid of Cards)
    - Mind Mapping
      - Create live time prioritize branches
    - Equipment/Product matrix
    - Fishbone — polling — validate — brainstorm — adopt
  - Set target times for completion of specific/key tasks during the event
- Sustain
  - Management/supervision maintains pressure to get it done
  - Track progress on open action items (after event) to assure completion
  - Improvement not over once the event is finished

Part II –

Lean Networking Session Evaluations Review

1. Overall, how satisfied were you with this networking session? Average 9.7 out of 10 with 10 being completely satisfied
2. How well did the program description reflect this session? Average 9.7 out of 10 with 10 being very well
3. How would you rate the facilitator's effectiveness? Average 9.3 out of 10 with 10 being excellent
4. Overall, what aspects of the session were most beneficial to you?
   a. Chance to exchange ideas with other quality professionals
   b. Getting other people's input
   c. Talking with others on specific subject
5. Overall, what aspects of the session were least beneficial to you?
   a. None
6. What networking session topics would you like to see at a future World Conference?
   a. Healthcare Insurance
   b. Change Management
7. Any additional comments? (related to the session)
   a. Thanks
   b. Took too long to get the session started, shortened the session too much, could only cover one topic
   c. Learned more in this session than a day of other sessions

---

Kaizen

Kaizen is the strategy for making improvements in all business areas. It focuses on implementing continuous change over time. When the strategy is fully utilized, everyone in the organization participates in making improvement in quality in all business areas. Reductions in cycle times, costs and 'wastes,' along with improved throughput and productivity are achievable outcomes. This intense one-day workshop will help individuals learn how to apply this proven strategy within the scope of a larger Lean enterprise journey.

Classroom

St. Louis, Missouri

October 11, 2006

Course #06238

Go to www.asq.org and click on Training & Certification for more information.

Member Price: $575

List/Forum/Division Price: $705

CEUs and ASQ RUs: 0.6

ASQ is a GSA Contract Holder for select training.

Lean Enterprise Forum | August 2006 | Volume 5, Issue 1

Note From the Editor

Greetings all!

I hope everyone is enjoying the summer. It has been quite an exciting time for us taking the leap from forum to division. You may have also noticed that we have new committee members who have graciously volunteered their time to keep us on a successful and Lean path. A special thank you also to our past chairs who worked so hard to build the Lean Enterprise Forum (soon to be division). For those who were unable to be at the ASQ World Conference, we have included some detailed notes and feedback from the networking session. There is also a great article on Lean communication by Ken Levine.

It's remarkable to see "Lean" methodology branching out. Just remember, we are always looking for "Lean" articles to post online and include in the newsletter or perhaps you'd like to be featured in our "Faces of Lean" section. Either way, please feel free to contact me.

Best regards,

Wendy Gomez